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COMMITTEE ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS

Eighteenth session

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Held at the Palais des Nations, Geneva,
on Monday, 11 May 1998, at 10 a.m.

Chairman: Mr. ALSTON

CONTENTS

GENERAL DISCUSSION: "GLOBALIZATION AND ITS IMPACT ON THE ENJOYMENT OF ECONOMIC AND SOCIAL RIGHTS"

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The meeting was called to order at 10.10 a.m.

GENERAL DISCUSSION: "GLOBALIZATION AND ITS IMPACT ON THE ENJOYMENT OF ECONOMIC AND SOCIAL RIGHTS" (agenda item 7) (E/C.12/1998/4, 6, 7, 9 and 10)

1. The CHAIRMAN opened the debate by emphasizing that the chosen subject for 1998 was a particularly broad and complex one. Evaluating the impact of globalization on the enjoyment of economic and social rights required extensive understanding, not only of the international financial system but also of national systems and implementation mechanisms for the protection of human rights. Apart from its numerous interdisciplinary aspects, globalization served one general objective, which was the primacy of the free market. It was usually accompanied by privatization and deregulation, measures, which reduced the role of the State to that of guarantor of the public order required for the proper functioning of the market and which deprived the State of its power to redistribute wealth. The same applied at the international level, where regulations had come to be directed essentially at preserving and strengthening the free circulation of goods and capital. The social institutions therefore saw their room for manoeuvre being continually reduced and found themselves powerless in the face of attempts to exclude a growing number of economic sectors from the system of social protection, as was the case with the draft multilateral agreement on investment currently being negotiated. The inference that had to be drawn was not that globalization was a bad thing in itself but that a check had to be kept on the way it affected the enjoyment of human rights.

2. As the free market continued to gain ground, the situation of the poor simply worsened. According to the most recent UNDP report on human development, a quarter of the population of the developing countries lived below the poverty line. The number of people subsisting on less than a dollar a day was estimated to be 1,300 million. And the industrialized countries were not spared either, with more than 100 million people living below the poverty line. The statistics relating to inequalities of income were even more telling. While in 1960 the poorest 20 per cent of the world's population possessed 2.3 per cent of its wealth, that figure now was only 1.1 per cent. In the same period, the income of the richest 20 per cent had steadily increased. The figures for debt were equally eloquent. The accumulated debt of the 41 countries classified by the World Bank as very heavily indebted poor countries had reached US$ 215 billion, compared to US$ 183 billion in 1990 and US$ 55 billion in 1980. In Africa, debt servicing was costing those countries between US$ 8 and US$ 9 on average per inhabitant, which was double what they spent on health or primary education. More than 50 million African children of school age were thus excluded from the education system. It was just one example among many, as nothing was generally said about the effects of debt on the enjoyment of economic and social rights. The situation was further aggravated by the structural adjustment policies imposed by the International Monetary Fund (IMF), which, as had been seen in southern Asia, were motivated much less by the desire to deal with the causes of the problem than by the desire to promote globalization by freeing financial markets.

3. The IMF continued to decide the economic future of whole populations without having to render any account to them. In order to strengthen its surveillance mechanism, the IMF demanded of States the greatest degree of

transparency regarding the monetary policies they intended to implement, while itself drawing up structural adjustment measures in conditions of utmost secrecy. Furthermore, while the IMF was quick to threaten to suspend assistance to governments which did not follow its financial reform recommendations to the letter, it was much less strict when it came to implementing the meagre social component of its structural adjustment programmes. It was not acceptable that large organizations like the World Trade Organization (WTO), the World Bank, the Organization for Economic Cooperation and Development (OECD) and the IMF, whose influence was increasing daily, should continue to ignore the social consequences of their activities and leave other institutions and governments, whose prerogatives and resources were decreasing constantly under the effect of the policies they advocated, with the task of dealing with those consequences.

4. There was a risk that globalization would have harmful effects on the right to work and the right to just and favourable conditions of work laid down in articles 6 and 7 of the Covenant. The objective for the IMF was in effect to eliminate what it called the rigidities of the labour market, which amounted in fact to the measures relating to the protection of workers applied in virtually all countries. If the IMF persisted in removing them, while leaving States, possibly with the help of the ILO or the Committee on Economic, Social and Cultural Rights, which had few means of offsetting its influence, with the task of finding alternative solutions, it would truly have failed in its responsibilities. As for the right to form trade unions, referred to in article 8, it had to be recognized that collective bargaining and the trade union movement as a whole were no longer what they used to be. It would therefore be worth considering the implications of globalization in that area.

5. As for the special protection to be accorded to women and children under article 10 of the Covenant, it was deplorable that the incidence of malnutrition, which was on the increase, was almost never taken into account in structural adjustment programmes and that the traffic in women, which was also growing, was not receiving more attention. As for the right to an adequate standard of living enshrined in article 11, the statistics provided earlier clearly showed that matters were not moving in the right direction. Lastly, the positive effects of globalization on the right to education, which was the subject of article 13, had still not materialized.

6. It should be emphasized that the grey picture he had just painted was far removed from the Committee's everyday concerns, which consisted in engaging in dialogue with governments with a view to furthering implementation of the provisions of the Covenant rather than monitoring the situation of international financial markets. Nevertheless, that situation should not be ignored. And yet at present there was not a single body within the human rights protection system that was responsible for monitoring and analysing the consequences of globalization, and it was unacceptable that organizations such as the IMF should continue to ignore the consequences of their decisions on the enjoyment of economic and social rights. Why had the IMF never referred in any of its publications to the International Covenant on Economic, Social and Cultural Rights, even though that instrument had been ratified by the majority of the countries with which it worked?

7. Furthermore, the international community should begin seriously to tackle the question of the role of private actors in the promotion of human rights. Why did international human rights rules apply only to governments and not to corporations, whose power was increasing as that of States was declining? Since there was now the possibility of concluding a multilateral agreement on investment obliging corporations to cooperate in a number of economic areas, would there not also be a way of forcing them to cooperate in the field of human rights?

8. Ending on a pessimistic note, he had to say that he sometimes had the impression that the International Covenant on Economic, Social and Cultural Rights served merely to give the illusion that the United Nations system covered economic rights. The time had come to recognize that the protection of economic and social rights could not simply be left in the hands of 18 experts meeting in Geneva with no technical support or secretariat, and to place the issue firmly on the agenda and work programmes of the major economic and financial institutions.

Exchange of views with the High Commissioner for Human Rights

9. The CHAIRMAN, welcoming the High Commissioner for Human Rights, congratulated her on behalf of the Committee on the work she had done since taking up her post, particularly the many initiatives relating to economic, social and cultural rights which the Commission on Human Rights had taken at its fifty-fourth session.

10. Mrs. ROBINSON (United Nations High Commissioner for Human Rights) said that the subject of globalization and its impact on the enjoyment of economic and social rights was of particular interest at a time when there was a genuine desire to place human rights at the centre of all the activities of the United Nations system. In that respect it was worth recalling that at a workshop held in Tehran 36 countries from the Asia-Pacific region had adopted a regional mechanism for technical cooperation, one of whose four components related to economic, social and cultural rights and in particular the right to development. Those 36 countries were very diverse but had a great deal to gain from the exchange of experience that would take place during the annual follow-up meetings they had agreed to organize. Equally useful were the conclusions of the round table on benchmark guidelines on economic, social and cultural rights, which would be widely circulated.

11. The CHAIRMAN said that the questions relating to globalization were so complex that the Office of the High Commissioner for Human Rights would be able to engage in high-level dialogue with the financial institutions only when it had experts competent enough to analyse the problem and put forward proposals. The Committee was in favour of establishing more national institutions for the promotion of human rights and of stating precisely the tasks those institutions were required to accomplish. He would like to know whether the High Commissioner had held discussions with the Director-General of the IMF, and whether she was considering maintaining an ongoing dialogue with the IMF and World Bank on the place of human rights in their activities.

12. Mr. ANTANOVICH found it encouraging that a regional mechanism should serve as a framework for monitoring the implementation of economic, social and

cultural rights. If so, considering that the Committee dealt mainly with the implementation of economic, social and cultural rights on a country-by-country basis, a new mechanism needed to be adopted. He wondered what the views of the High Commissioner were on the matter.

13. Mr. SADI said that while he did not doubt the High Commissioner's genuine concern for economic, social and cultural rights, he would like to see that concern translated into action. There were grounds for thinking that it was largely theoretical in view of the inadequate administrative support provided for the Committee. With regard to globalization, he was inclined to share the views expressed by the Chairman, Mr. Standing and Mr. Taplin, and thought that it would be for the Committee to find a common denominator among those points of view. The problem was that the countries themselves did not take economic, social and cultural rights seriously; if they did, they would have demanded that they be taken into account when the IMF Statutes were amended.

14. Mrs. ROBINSON (United Nations High Commissioner for Human Rights) said that the discussions she had had with Mr. Camdessus had been dominated by the problem of the lack of transparency, given the considerable impact IMF programmes had on populations and especially on vulnerable groups. She had also discussed with the World Bank the importance of human rights in the reconstruction of countries emerging from conflict. She was considering keeping up the dialogue with the leaders of those institutions, particularly through meetings of the Administrative Committee on Coordination.

15. Replying to Mr. Antanovich, she said that the regional mechanism in question was useful in the sense that it enabled the 36 countries which had decided to establish it to advance individually at their own pace. No further machinery would be needed to operate the mechanism, which would enable member States to engage in useful exchanges of experience and could serve as a model for other regions. Replying to Mr. Sadi, she reaffirmed her commitment to a more balanced treatment of all human rights and to the promotion of economic, social and cultural rights, which would be high up the agenda of the forthcoming session of the Economic and Social Council. In conclusion, she congratulated the members of the Committee who had just been re-elected and wished them every success in their work, which was particularly important at a time when the international community was celebrating the fiftieth anniversary of the Universal Declaration of Human Rights.

16. The CHAIRMAN said that the plan of action drawn up for the Committee had so far received only US$ 140,000, which appeared less than was needed to make a start. He therefore requested the High Commissioner to do her best to ensure that contributions were paid and that by the end of the following year the Committee would have the experts it needed to begin implementing the plan.

17. He thanked the High Commissioner for Human Rights and invited the participants to resume the general debate.

18. Mr. STANDING (International Labour Organization) said that globalization had weakened workers' negotiating power and had left the most vulnerable groups even more exposed. Globalization and the implementation of neo-liberal

policies benefited only a minority and led to an erosion of workers' rights and entitlements. Unlike income derived from capital, earned income was being increasingly heavily taxed. Furthermore, in order to attract and retain businesses, States were granting them tax benefits and subsidies, while workers' social rights and trade union freedom were coming under attack. It was not easy to discuss the right to work with followers of the Chicago School, which extolled deregulation, rejected Keynesianism and accepted that there was a natural level of unemployment which could not be reduced.

19. For 15 years, the international financial institutions, the IMF, the World Bank and the regional development banks had been advocating structural adjustment policies based on lowering social protection, shrinking the public sector and adopting a minimalist and selective approach to social safety nets.

20. The welfare State was losing momentum, and social protection and retirement schemes were gradually being privatized, particularly under pressure from financial institutions and very powerful pension funds. Only a few privileged groups would benefit from that development, while a growing number of people would be left without any social cover at all. Moreover, ideas which seemed to belong to the past were reappearing, such as paternalism and the notion that only "deserving" people should have the right to protection. There was a need therefore to encourage the creation of new institutional mechanisms, which could defend the sectors of the population threatened by insecurity.

21. Mr. CUMMIAH (International Confederation of Free Trade Unions) said that economic liberalization and the globalization of markets had led to most developing countries being worse off, greater inequality in those countries and increased insecurity in the developed countries.

22. In 1995, the World Summit for Social Development had sounded the warning bell and emphasized that a world driven by market forces alone was socially unacceptable and politically dangerous. The first ministerial meeting of the WTO, held in Singapore in 1994, had given its Director-General a mandate to work with the ILO in promoting internationally recognized labour standards. It was to be hoped that the second WTO ministerial meeting, to be held shortly in Geneva, would take concrete measures to prevent firms having recourse to forced labour, child labour and repression of trade union rights in order to gain a competitive advantage.

23. The economic crisis currently afflicting Asia had put globalization on trial. If nations wanted to prevent such crises, they had to have the courage to add a social dimension to globalization and prevent multinational enterprises setting up only where workers were willing to work longer hours for less pay and lower social security benefits. In the absence of a multilateral mechanism capable of securing respect for international labour standards, the International Confederation of Free Trade Unions (ICFTU) would have no other alternative than to use all means available to defend the principles of freedom of association and social justice, particularly by organizing boycotts of certain products and asking for the withdrawal of GSP (Generalized System of Preferences) benefits. In that context it was worth mentioning that following a complaint lodged with the European Union by the

ICFTU and the European Trade Union Confederation (ETUC) against the Government of Myanmar, the European Commission had recommended a complete withdrawal of the tariff preferences granted to Myanmar because of strong evidence that it had used forced labour. A similar complaint had been lodged against the Government of Pakistan concerning the very widespread use of forced and bonded child labour.

24. In conclusion, he said that unless the world's political leaders had the courage to impose restraint on market forces, economic, social and cultural rights would remain a dead letter. What the ICFTU wanted was globalization with a human face.

25. Mr. TAPLIN (International Monetary Fund) began by rejecting the view that Governments had no choice but to sign agreements with the IMF. The broader the support obtained for structural adjustment programmes, the better the chance they had of being implemented successfully. That was why the IMF encouraged Governments to publicize the commitments they had made under those programmes.

26. For its part the IMF published information on its Website concerning the situation of countries with which it was working and the programmes implemented there. The Director-General of the IMF had made a number of speeches recently explaining in detail the policy the IMF was pursuing in Asia in order to remedy that region's financial crisis.

27. There was general agreement that some of the difficulties encountered by Mexico in 1994 and 1995 had surprised certain circles of the international community because they did not have the relevant financial data and information on that country. That was why, on the IMF's initiative, standardized data on some 40 countries were now published on the Web, with the agreement of those countries.

28. No mention was made of economic, social and cultural rights in the IMF Statutes because no member State had requested such a reference at any time in the course of the three revisions through which the Statutes had passed since their first adoption in 1944.

29. In that context it was worth pointing out that the IMF was not an independent institution, and that its task was to respond to the needs of its member States, all of which were represented on its Board of Governors, its supreme decision-making body. Furthermore, the IMF's policy was regularly scrutinized by the Interim Committee of the Board of Governors, which met every six months and gave the Executive Board very clear directives.

30. As for the social security mechanisms, the question was whether their cost was affordable and whether their beneficiaries were really the most vulnerable groups in society. The reductions in expenditure recommended by the IMF were not targeted mainly at the health and education sectors, but rather at non-productive expenditure, such as over-generous subsidies and excessive military expenditure. In the same way, with regard to labour market rigidities, it was worth considering why some countries regularly created jobs

and others not. For example, why was the unemployment rate in the United States of America only 4.3 per cent, while in Germany and France it was close to 12 per cent?

31. The CHAIRMAN said that the statement by the representative of the IMF prompted him to make two observations. Firstly, regarding the social security mechanisms, the IMF had acknowledged in a document dated March 1998 that many improvements were still possible in the framework of the structural adjustment programmes under the heading of social expenditure. Furthermore, the top leadership of the IMF had agreed that in economic matters taking account of human rights was an integral part of any rational decision-making process. Secondly, on the question of the need to eliminate rigidities in the labour market, taking the United States of America as an example was perhaps revealing, since it was the only country which systematically opposed any reference to economic, social and cultural rights in practically all circumstances.

32. Mr. STANDING (International Labour Organization) said that according to Mr. Taplin the IMF was not in a position to impose anything on sovereign Governments. Nevertheless, it had to be recognized that a weak or poor country might be obliged to adopt policies dictated from the outside, especially when it knew that rejecting such policies would often have more serious consequences than accepting them. In addition, Governments did not always have the desired expertise to master very complex programmes. It was therefore important to insist on transparency, so that the criteria on which recommended policies were based were known to all. That transparency concerned not only government actions but also the particular models and data used by the IMF in drawing up the policies imposed on countries.

33. Ms. BONOAN-DANDAN said that cultural rights did not appear in the wording of the theme for the general debate. That was regrettable because the implementation of economic and social rights always had an impact on cultural rights and vice versa. Mr. Standing had spoken of the need to establish new institutional mechanisms to protect vulnerable groups, and she would like to know what mechanism the ILO had set up.

34. She said she had been puzzled to hear the representative of the IMF saying that a Government could not be obliged to act against its will. That statement did not tally with the facts, since it was the citizens who were reproaching their Governments for allowing the IMF to take their decisions for them. Finally, the criticisms levelled against the IMF could be regarded as part of a healthy debate only to the extent that such a debate had an impact on the Fund's policy. Could the representative of the IMF demonstrate that the views expressed were not falling on deaf ears?

35. The CHAIRMAN, while agreeing with the last speaker, reminded the Committee that at its seventeenth session it had decided to restrict the subject of the general discussion to the globalization of economic and social rights in order to give the debate a better focus.

36. Mr. SADI, recalling that the IMF had forced his country, Jordan, to stop subsidizing essential foodstuffs, pointed out that pressures could be exerted on a country despite rising unemployment, poverty and inflation, but that there seemed not to be any such pressures when it was a question of social safety nets.

37. Mr. TAPLIN (International Monetary Fund) said that he could not speak in any detail about the case of Jordan because he did not have first-hand knowledge. However, a State's central government budget had to be considered in its entirety when it came to determining the structural adjustments that had to be made. When a country had difficulties with its balance of payments, it was left with a range of possibilities, although they were limited and it was difficult to make a choice. In fact there were several ways of influencing macroeconomic and structural instruments so as to set in place in any given situation a policy to deal with the economic difficulties and to meet the concerns of the countries in question. No views, as some might think, fell on deaf ears. During the grave situation experienced by the Republic of Korea, for example, IMF representatives met trade union leaders with a view not only to protecting labour rights but also tc gauging the extent of the problem. There was a readiness in the international community to listen and to adapt, as was shown by the Declaration on Social Development and the Plan of Action of the World Summit on Social Development adopted in 1995 - holding such summits would have been unthinkable in the 1980s - or even the Enhanced Structural Adjustment Facility at the end of the last decade.

38. Mr. WIMER pointed out that in order to settle the crisis in Mexico it had been necessary to secure a direct loan from the Government of the United States of America guaranteed by oil as the only way of extracting the country from its impasse. In view of the very nature of the IMF - a rich man's club representing the interests of the great who ruled the world - it was not surprising that it imposed its conditions. Globalization played into the hands of major international organizations and industrial and financial consortiums, sounding the death knell of the welfare State and the social responsibility of States, which had lost a large part of their sovereignty.

39. Mrs. JIMENEZ BUTRAGUEÑO asked how the Committee could more closely coordinate the action it was taking in the field of economic, social and cultural rights with that being undertaken in the same area by the Commission on Human Rights, its special rapporteurs and the working groups established on the right to development. What could be done to ensure that the IMF took account of the Committee's remarks?

40. Mr. TAPLIN (International Monetary Fund), replying to Mr. Wimer, said that the IMF was not a rich man's club - it had 182 members both rich and poor. The case of Mexico was instructive because it showed that the IMF was not the sole financier and backer of countries that were victims of financial crises, and it encouraged other partners from the international financial community such as development banks and the private sector to become involved.

41. In his opinion dialogue and informal contacts were the best means of improving relations between the IMF and the bodies dealing with human rights.

42. Mr. STANDING (International Labour Organization) said that the debate had to be set in a more general context and attention should not be focused on the IMF. The debate was really about the unequal distribution of power and the fact that financial power in a global economy could lead to opportunistic decision-making.

43. When it came to the right to culture, education was fundamental but, in his opinion, financial and technical assistance had turned it into an economic debate. Unless education had significant economic implications, it attracted little support, a tendency that had merely increased in recent years. As a result, education in the broad sense was often sacrificed on the altar of the economy and the labour market. That question should be one of general concern, especially in view of the changing weight of the influence exerted by money.

44. Mr. SYMONIDES (Director, Division of Human Rights, Democracy and Peace, United Nations Educational, Scientific and Cultural Organization) said that although the economic dimension of globalization was the most evident, globalization also had other dimensions - cultural and political. The international spread of cultures had been at least as important as the spread of economic processes. Through the mass media ideas and values were being transmitted and imposed on national cultures. A homogeneous worldwide culture was emerging. Sometimes the process was described as the creation of a "global village". Advances of popular culture meant that throughout the world people were dressing, eating and singing in the same way and that certain social and cultural attitudes had taken on a global dimension.

45. Globalization had profound implications for States. Many Governments saw their role as being not to regulate markets but to facilitate their expansion. Global and regional interactions were wiping out national borders and weakening national policies. The sovereignty of States was gradually diminishing, not only as the consequence of the existence of supranational political and economic organizations, but in many cases because of the asymmetry of bargaining power between transnational corporations and small and poor developing countries.

46. The culturally homogenizing effect of globalization, the gradual process of adopting common values and behavioural patterns reinforced the universality of human rights, established ties and linkages between various parts of the world and helped to eliminate certain traditional practices which might be qualified as discriminatory. Cultural globalization also had negative consequences for the cultural rights of vulnerable groups such as minorities, indigenous peoples and immigrant workers. It often undermined cultural identities, weakened various ethical norms, social cohesion and the feeling of belonging, and hence contributed to the proliferation of internal conflicts. Safeguarding cultural diversity - linguistic, ideological and artistic - was indispensable.

47. The negative impacts of globalization on the implementation of economic, social and cultural rights, particularly the right to education and the right to take part in political life, were manifold: cuts in social and cultural

programmes, health services and food programmes in some cases prevented Governments achieving desired outcomes. Many important decisions were taken by the private sector, especially by transnational companies. Markets could not replace Governments in the determination of economic, social, educational and cultural policies, in providing social services and establishing infrastructures, in the eradication of poverty, in the protection of vulnerable groups and in defending the environment. Weak States could not guarantee the rule of law, which was the sine qua non condition for the full implementation of all human rights.

The meeting rose at 1 p.m.